

UEM EDGENTA BERHAD
(formerly known as Faber Group Berhad)
(5067-M)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015.

THE FIGURES HAVE NOT BEEN AUDITED.

I(A). CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/06/2015	Preceding year corresponding quarter 30/06/2014	Six months to 30/06/2015	Six months to 30/06/2014
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
1 (a) Revenue	794,501	749,248	1,493,787	1,396,095
(b) Cost of sales	<u>(541,676)</u>	<u>(513,359)</u>	<u>(1,031,078)</u>	<u>(959,615)</u>
(c) Gross profit	252,825	235,889	462,709	436,480
(d) Other income	29,285	11,073	36,911	18,637
(e) Expenses	(177,327)	(172,573)	(336,545)	(331,038)
(f) Finance costs	(4,634)	(3,046)	(8,764)	(5,907)
(g) Share of results of associates	1,956	(76)	2,723	233
(h) Share of results of joint ventures	<u>(753)</u>	<u>(503)</u>	<u>(2,376)</u>	<u>(9)</u>
(i) Profit before tax	101,352	70,764	154,658	118,396
(j) Income tax	<u>(25,618)</u>	<u>(15,502)</u>	<u>(40,592)</u>	<u>(29,555)</u>
(k) Profit for the period	<u>75,734</u>	<u>55,262</u>	<u>114,066</u>	<u>88,841</u>
Attributable to:				
(l) Owners of the parent	58,852	47,521	96,026	76,675
(m) Non-controlling interests	<u>16,882</u>	<u>7,741</u>	<u>18,040</u>	<u>12,166</u>
Profit for the period	<u>75,734</u>	<u>55,262</u>	<u>114,066</u>	<u>88,841</u>
2 Earnings per share based on 1(l) above (Note 26):-				
a) Basic (based on 2015: 813,501,053 [2014: 813,501,053] ordinary shares)	7.23 sen	5.84 sen	11.80 sen	9.43 sen
b) Diluted (based on 2015: 813,501,053 [2014: 813,501,053] ordinary shares)	7.19 sen	5.82 sen	11.76 sen	9.40 sen

The condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.

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I(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Profit for the period	75,734	55,262	114,066	88,841
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	<u>(11,282)</u>	<u>5,612</u>	<u>(989)</u>	<u>20,039</u>
Total comprehensive income for the period	<u>64,452</u>	<u>60,874</u>	<u>113,077</u>	<u>108,880</u>
Attributable to:				
Owners of the parent	51,320	51,446	95,331	89,853
Non-controlling interests	<u>13,132</u>	<u>9,428</u>	<u>17,746</u>	<u>19,027</u>
Total comprehensive income for the period	<u>64,452</u>	<u>60,874</u>	<u>113,077</u>	<u>108,880</u>

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.

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Remarks to Condensed Consolidated Income Statement:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
		Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	Note	30/06/2015	30/06/2014	30/06/2015	30/06/2014
		RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Profit before tax is arrived at after charging/(crediting):					
Interest income		(3,857)	(5,730)	(7,848)	(10,462)
Interest expense		4,160	2,688	7,992	5,108
Dividend from investment securities		(3,191)	(2,657)	(4,166)	(3,181)
Depreciation and amortization		11,816	14,378	24,167	24,380
Impairment of receivables		54	124	1,147	685
Foreign exchange loss/(gain)		1,012	(114)	953	(297)
Reversal of deferred consideration arising from acquisition of a subsidiary	(a)	(21,326)	-	(21,326)	-

Other than the above, there were no other impairment/(write back of impairment) of assets, (gain)/loss on derivatives and investments, write down of inventories and/or reversal of write down, reversal of provision for costs of restructuring or exceptional items.

(a) Opus International Consultants Limited ("OIC")

On 3 September 2013, OIC acquired 100% interest in a Canadian based company, Opus Stewart Weir Limited ("OSW"). The total consideration of RM237,088,000 includes RM86,897,000 which was deferred and payable depending on OSW meeting certain earnings and performance targets over the future three years.

At the reporting date, management re-measured the fair value of the deferred consideration payable to be lower than the estimated at the acquisition date due to lower probability of OSW meeting the performance targets based on OSW's actual performance since the acquisition date. Accordingly, the fair value of deferred consideration payable has decreased by RM21,326,000 with the fair value adjustment recognised in the income statement for the current financial period.

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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited	Audited
		As at end of current	As at preceding
		quarter	financial year end
		30/06/2015	31/12/2014
		RM'000	RM'000
ASSETS			
1	Non-current assets		
	Property, plant and equipment	191,165	188,105
	Land held for property development	1,115	1,115
	Prepaid land lease payments	3,281	3,324
	Intangible assets	481,777	474,972
	Investment in associates	10,754	6,070
	Investment in joint ventures	10,103	12,985
	Other investments	272	272
	Trade and other receivables	21,110	21,110
	Defined benefit pension plan	1,681	890
	Deferred tax assets	43,265	44,640
		764,523	753,483
2	Current assets		
	Property development costs	52,641	41,625
	Inventories	41,604	43,443
	Trade and other receivables	957,221	731,098
	Investment securities	206,570	256,924
	Derivative financial instruments	6,872	7,454
	Cash, bank balances and deposits*	410,822	812,001
		1,675,730	1,892,545
	Total assets	<u>2,440,253</u>	<u>2,646,028</u>

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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	Unaudited As at end of current quarter	Audited As at preceding financial year end
	30/06/2015	31/12/2014
	RM'000	RM'000
EQUITY AND LIABILITIES		
3	Equity attributable to Owners of the Parent	
	Share capital	203,375
	Merger relief reserve	313,856
	Other reserves	36,285
	Retained earnings	658,537
		1,212,053
4	Non-controlling interests	181,756
	Total equity	1,393,809
5	Non-current liabilities	
	Retirement benefit obligations	6,404
	Provisions	20,078
	Trade and other payables	15,375
	Borrowings	274,018
	Derivative financial instruments	480
	Deferred tax liabilities	519
		316,874
6	Current liabilities	
	Retirement benefit obligations	115
	Provisions	14,593
	Trade and other payables	628,830
	Borrowings	66,739
	Derivative financial instruments	4,788
	Dividend payable	-
	Income tax payable	14,505
		729,570
	Total liabilities	1,046,444
	Total equity and liabilities	2,440,253
7	Net assets per ordinary share attributable to Owners of the Parent (RM)	1.49
		1.43

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.

* Cash, bank balances and deposits

Included in the cash, bank balances and deposits of the Group is an amount of RM46,049,000 (2014 : RM40,182,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and Section 8A of the Housing Development Account (Control and Licensing) Sabah Act, 1978.

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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Unaudited Six months to 30/06/2015 RM'000	Unaudited Six months to 30/06/2014 RM'000 (Restated)
Cash flows from operating activities			
Cash receipts from customers		1,315,874	1,439,714
Cash payments to suppliers		(816,229)	(552,560)
Cash payments to employees and for expenses		(640,926)	(807,280)
Cash (used in)/generated from operations		(141,281)	79,874
Interest paid		(5,111)	(4,042)
Income tax paid		(38,502)	(41,833)
Net cash flow (used in)/generated from operating activities		(184,894)	33,999
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		33	13
Proceeds on settlement of derivative contracts		3,537	1,931
Acquisition of non-controlling interests		(10,000)	-
Investment in associates		(1,000)	(360)
Placement of investment securities		(31,390)	(164,529)
Proceeds from withdrawal of investment securities		86,380	67,132
Interest received		3,156	10,094
Dividend received from joint ventures		618	605
Purchase of property, plant and equipment		(24,650)	(27,192)
Net cash flow generated from/(used in) investing activities		26,684	(112,306)
Cash flows from financing activities			
Capital repayment to non-controlling shareholders of a subsidiary		-	(29,224)
Repayment of loan from corporate shareholder of a subsidiary		-	(176)
Repayment of finance lease		(3,192)	(1,915)
Drawdown of other secured bank loans		26,353	45,800
Repayment of other secured bank loans		(75,006)	(12,831)
Dividend paid		(187,105)	-
Dividend paid to non-controlling shareholders of subsidiaries		(29,776)	(18,621)
Withdrawal of fixed deposits		2,557	5,781
Net cash flow used in financing activities		(266,169)	(11,186)
Net decrease in cash and cash equivalents		(424,379)	(89,493)
Net foreign exchange difference		(4,592)	4,937
Cash and cash equivalents as at beginning of financial period		781,466	638,760
Cash and cash equivalents as at end of financial period	(a)	352,495	554,204

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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Unaudited As at 30/06/2015 RM'000	Unaudited As at 30/06/2014 RM'000 (Restated)
(a) Cash and Cash Equivalents comprise the following amounts:		
Cash on hand and at banks	128,926	80,874
Fixed deposits with licensed banks	210,943	423,237
Fixed deposits with other financial institutions	70,953	79,002
Less: Fixed deposits with maturity more than 3 months	(3,308)	(3,208)
Less: Fixed deposits pledged	(1,970)	(3,469)
Less: Fixed deposits on lien	(12,569)	(12,291)
Less: Bank overdrafts	(40,480)	(9,941)
	352,495	554,204

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial statements for the year ended 31 December 2014.

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	← Attributable to owners of the parent Non-distributable →						
	Share capital	Merger relief reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Six months to 30 June 2015 (unaudited)							
Balance as at 1 January 2015	203,375	313,856	36,949	605,206	1,159,386	201,740	1,361,126
Profit for the period	-	-	-	96,026	96,026	18,040	114,066
Other comprehensive income	-	-	(695)	-	(695)	(294)	(989)
Total comprehensive income for the period	-	-	(695)	96,026	95,331	17,746	113,077
Accretion of interest in a subsidiary	-	-	-	(2,026)	(2,026)	(7,974)	(10,000)
Dilution of interest in a subsidiary	-	-	-	6	6	-	6
Share-based payment of a subsidiary	-	-	31	-	31	20	51
Dividends	-	-	-	(40,675)	(40,675)	-	(40,675)
Dividend paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	(29,776)	(29,776)
Balance as at 30 June 2015	203,375	313,856	36,285	658,537	1,212,053	181,756	1,393,809

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY (CONT'D)

	← Attributable to owners of the parent →				Total	Non-controlling interests	Total equity
	Non-distributable						
	Share capital	Merger reserve / (deficit)	Other reserves	Retained earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Six months to 30 June 2014 (unaudited)							
Balance as at 1 January 2014	90,750	676,477	29,559	595,031	1,391,817	215,086	1,606,903
Profit for the period	-	-	-	76,675	76,675	12,166	88,841
Other comprehensive income	-	-	13,178	-	13,178	6,861	20,039
Total comprehensive income for the period	-	-	13,178	76,675	89,853	19,027	108,880
Effect of selective capital repayment	-	-	-	(8,996)	(8,996)	(20,228)	(29,224)
Dilution of interest in a subsidiary	-	-	-	39	39	271	310
Share-based payment of a subsidiary	-	-	205	-	205	60	265
Dividends	-	-	-	(36,300)	(36,300)	-	(36,300)
Dividend paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	(18,621)	(18,621)
Balance as at 30 June 2014	<u>90,750</u>	<u>676,477</u>	<u>42,942</u>	<u>626,449</u>	<u>1,436,618</u>	<u>195,595</u>	<u>1,632,213</u>

The condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.

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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The notes to the condensed consolidated interim financial statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.

1. Accounting policies and methods of computation

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), except for the adoption of the following amendment to Financial Reporting Standards ("FRSs") which are mandatory for annual financial periods beginning on or after 1 July 2014, as disclosed below:

	Effective for the financial period beginning on or after
Amendments to FRS 119 : Defined Benefit Plans (Employee Contributions)	1 July 2014
Annual Improvements to FRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011-2013 Cycle	1 July 2014

The adoption of the above amendment to FRSs does not have any significant impact to the Group.

Restatement of comparative

The Group completed the acquisition of Opus Group Berhad ("OPUS") and Edgenta PROPEL Berhad (formerly known as Projek Penyelenggaraan Lebuh raya Berhad) ("PROPEL") on 29 October 2014.

The Group's financial statements have been prepared based on the pooling-of-interest method of accounting for the acquisitions of OPUS and PROPEL for the year ended 2014. Accordingly, the financial statements for the preceding period have been presented as if the Group Structure immediately after the acquisitions has been in existence since the earliest financial period presented.

Malaysian Financial Reporting Standards ("MFRS Framework")

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework has been applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for the Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework. The adoption will be mandatory for Transitioning Entities for annual periods beginning on or after 1 January 2017.

The Group falls within the scope of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2017.

In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The financial statements could be different if prepared under the MFRS Framework.

2. Audit report in respect of the 2014 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2014 was not qualified.

3. Seasonal or cyclical factors

The Group's operations are not materially affected by any seasonal or cyclical factors.

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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

4. Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence in the current period.

5. Material changes in estimates used

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

6. Debt and equity securities

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 30 June 2015.

7. Dividend

The single tier special interim dividend of 18.00 sen on 813,501,053 ordinary shares of RM0.25 each, amounting to RM146,430,190 in respect of the financial year ended 31 December 2014 was paid on 22 January 2015.

The single tier final dividend of 5.00 sen on 813,501,053 ordinary shares of RM0.25 each, amounting to RM40,675,053 in respect of the financial year ended 31 December 2014 was paid on 24 June 2015.

No interim dividend is declared for the current period ended 30 June 2015 (2014: nil).

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V. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**

8. **Operating Segments**

Operating Segment information for the current financial period ended 30 June 2015 is as follows:

By operating segment

	Asset Consultancy	Infra Services	Integrated Facilities Management	Property Development	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	759,754	392,994	329,816	11,223	-	-	1,493,787
Inter-segment revenue	7,377	1,828	1,249	-	69,616	(80,070)	-
Total Revenue	767,131	394,822	331,065	11,223	69,616	(80,070)	1,493,787
Results							
Segment results	71,038	51,945	47,187	109	58,871	(66,075)	163,075
Finance costs	(5,916)	(192)	(185)	(6)	(2,465)	-	(8,764)
Share of results of associates	-	-	2,723	-	-	-	2,723
Share of results of joint ventures	(2,376)	-	-	-	-	-	(2,376)
Profit/(loss) before tax	62,746	51,753	49,725	103	56,406	(66,075)	154,658
Income tax	(15,452)	(13,051)	(11,926)	(43)	(120)	-	(40,592)
Profit/(loss) for the period	47,294	38,702	37,799	60	56,286	(66,075)	114,066
Attributable to:							
Owners of the parent	31,327	38,702	35,637	(16)	56,286	(65,910)	96,026
Non-controlling interests	15,967	-	2,162	76	-	(165)	18,040
Profit/(loss) for the period	47,294	38,702	37,799	60	56,286	(66,075)	114,066

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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

9. Material events subsequent to the end of the current financial period

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature that have arisen since 30 June 2015 to the date of this announcement which would substantially affect the financial results of the Group for the six months ended 30 June 2015 that have not been reflected in the condensed financial statements.

10. Changes in the composition of the Group

There were no significant changes in the composition of the Group for the current period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations except for the following:

- a) On 26 February 2015, Edgenta Mediserve Sdn Bhd (formerly known as Faber Medi-Serve Sdn Bhd) ("Edgenta Mediserve"), a 100% subsidiary of the Company had entered into a sale of shares agreement with SSP Medical Technologies Sdn Bhd ("SSP") for the acquisition of 1,200,000 ordinary shares of RM1.00 each in Edgenta Healthtronics Sdn Bhd (formerly known as Healthtronics (M) Sdn Bhd) ("Healthtronics"), representing 40% of the total issued and paid-up share capital of Healthtronics from SSP for a total cash consideration of RM10,000,000. The acquisition was completed on 27 February 2015 and Healthtronics became a wholly-owned subsidiary of Edgenta Mediserve.
- b) On 3 August 2015, Opus International Limited, a company incorporated in the United Kingdom which is a wholly-owned subsidiary of Opus Group Berhad, which is in turn a wholly-owned subsidiary of the Company has entered into a Members' Voluntary Liquidation.
- c) On 17 August 2015, Opus International (M) Berhad had disposed its entire equity in Soil Centralab Sdn Bhd to the Company. Hence, Soil Centralab Sdn Bhd is now a wholly-owned subsidiary of the Company.
- d) On 26 August 2015, the Company has acquired 700,000 ordinary shares of RM1.00 each in Edgenta Energy Services Sdn Bhd, a joint venture company with Resource Data Management Asia Sdn Bhd, representing 70% of the issued and paid-up capital of the joint venture company.

11. Contingent liabilities

There are no changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2014.

12. Capital commitments

There are no material capital commitments except as disclosed below:

	RM'000
Approved and contracted for	6,840
Approved but not contracted for	32,040

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V. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**

13. **Income tax**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Current income tax				
- Malaysian income tax	11,594	14,156	27,317	27,554
- Foreign Tax	6,703	3,107	10,933	5,404
Under/(over) provision in prior years				
- Malaysian income tax	3,996	(6,795)	3,996	(6,598)
- Foreign Tax	(249)	(270)	(249)	(270)
	<u>22,044</u>	<u>10,198</u>	<u>41,997</u>	<u>26,090</u>
Deferred tax				
- Relating to origination and reversal of temporary difference	3,290	5,536	(1,689)	2,779
- Relating to changes in tax rates	202	-	202	
- Under provision in prior years	82	(232)	82	686
	<u>3,574</u>	<u>5,304</u>	<u>(1,405)</u>	<u>3,465</u>
	<u>25,618</u>	<u>15,502</u>	<u>40,592</u>	<u>29,555</u>

There is no significant difference between the Group's effective tax rate and statutory tax rate for the current quarter/period. The Group's effective tax rate for the corresponding quarter last year was lower compared to the statutory tax rate mainly due to overprovision of tax in prior years.

14. **Status of corporate proposals announced but not completed as at the date of this announcement**

There is no corporate proposal announced but not completed as at the date of this announcement.

15. **Status of the new Concession Agreement of Edgenta Mediserve Sdn Bhd**

On 11 March 2015, Edgenta Mediserve had entered into a New Concession Agreement ("NCA") with the Government of Malaysia ("Government") for the provision of Hospital Support Service ("HSS") at contract hospitals in the states of Perak, Pulau Pinang, Kedah and Perlis, the development of an asset and services information system and the implementation of the Sustainability Programme for a period of ten (10) years in accordance with the terms and conditions of the NCA.

Meanwhile, One Medicare Sdn Bhd and Sedafiat Sdn Bhd, associates of the Company had also on 11 March 2015 entered into NCA with the Government for the provision of HSS at contract hospitals in the states of Sabah and Sarawak respectively.

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V. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**

16. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 30 June 2015 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Other borrowings</u>						
Domestic – Bank	70,000	-	70,000	20,801	-	20,801
Foreign – Bank						
- US Dollar	-	-	-	-	29	29
- Australian Dollar	-	26,343	26,343	-	30,910	30,910
- New Zealand Dollar	4,512	-	4,512	3,732	-	3,732
- Euro	-	-	-	-	171	171
- Canadian Dollar	2,061	140,167	142,228	1,726	779	2,505
- British Pound	-	30,935	30,935	-	8,589	8,589
- Others	-	-	-	-	2	2
TOTAL	76,573	197,445	274,018	26,259	40,480	66,739

17. **Derivatives**

Details of outstanding derivatives as at 30 June 2015 are as follows:

	Contract/ Notional value	Fair value	
		Assets	Liabilities
		RM'000	RM'000
Types of derivatives			
Forward exchange rate contract:			
- due within 12 months (net settled)	22,330	6,872	(4,788)
- due 12 to 24 months (net settled)	89,711	-	(283)
Interest rate swap:			
- due 12 to 24 months (net settled)	30,661	-	(197)

18. **Fair value hierarchy**

There were no transfers between any levels of the fair value hierarchy that took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

19. Breakdown of realized and unrealized profits or losses

	As at end of current quarter	As at preceding financial year end
	30/06/2015	31/12/2014
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	716,087	683,038
- Unrealised	48,575	39,535
	764,662	722,573
Consolidation adjustments	(106,125)	(117,367)
Total group retained earnings as per consolidated financial statements	658,537	605,206

20. Material litigation

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement.

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V. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**

21. **Detailed analysis of the performance between the current quarter and the immediate preceding quarter**

	Current quarter 30/06/2015 RM'000	Immediate preceding quarter 31/03/2015 RM'000 (Restated)	Variance RM'000	Variance %
<u>Revenue:</u>				
Asset Consultancy	421,419	338,335	83,084	24.6
Infra Services	201,598	191,396	10,202	5.3
Integrated Facilities Management	164,247	165,569	(1,322)	(0.8)
Property Development	7,237	3,986	3,251	81.6
Group	794,501	699,286	95,215	13.6

Profit Before Tax:

Asset Consultancy	58,198	4,548	53,650	>100.0
Infra Services	23,920	27,833	(3,913)	(14.1)
Integrated Facilities Management	23,445	26,280	(2,835)	(10.8)
Property Development	1,425	(1,322)	2,747	>100.0
Others/Elimination	(5,636)	(4,033)	(1,603)	(39.7)
Group	101,352	53,306	48,046	90.1

The Group's revenue for the current quarter of RM794.5 million was RM95.2 million or 13.6% higher than the preceding quarter of RM699.3 million. The Asset Consultancy ("AC") Division recorded higher revenue by RM83.1 million mainly due to higher revenue generated from the Group's New Zealand based subsidiary, with growth of business in the region and its United Kingdom operation. The Infra Services ("IS") Division recorded increased revenue by RM10.2 million mainly due higher pavement, mechanical, electronic and electrical works carried out for the North-South Expressway. The Property Development ("Property") Division recorded higher revenue by RM3.3 million mainly due to higher property sales.

The higher Group revenue was partially offset by lower revenue from the Integrated Facilities Management ("IFM") Division. IFM Division recorded lower revenue by RM1.3 million mainly due to the lower revenue from the East Malaysia government hospitals concession with effect from 1 April 2015 attributable to lower share of the fees received for the services rendered.

The Group recorded higher profit before tax ("PBT") for the current quarter of RM101.4 million, as compared to RM53.3 million in the preceding quarter. The AC Division recorded higher PBT by RM53.7 million mainly due to higher revenue as explained above coupled with the reversal of deferred consideration of RM21.3 million arising from the re-measurement of the deferred consideration payable by OIC.

The IS Division registered lower PBT by RM3.9 million despite higher revenue of RM10.2 million. In the immediate preceding quarter, the IS Division recognised higher claimable works / variation orders on mechanical, electronic and electrical works that contribute higher margins. The lower PBT for IFM Division is in line with the lower revenue recorded for the hospital concession services provided in East Malaysia with effect from the second quarter.

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V. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**

22. **Detailed analysis of the performance for the current quarter and period**

	Current year quarter 30/06/2015 RM'000	Preceding year corresponding quarter 30/06/2014 RM'000 (Restated)	Variance RM'000	Variance %	Six months to 30/06/2015 RM'000	Six months to 30/06/2014 RM'000 (Restated)	Variance RM'000	Variance %
Revenue:								
Asset Consultancy	421,419	430,114	(8,695)	(2.0)	759,754	780,270	(20,516)	(2.6)
Infra Services	201,598	154,893	46,705	30.2	392,994	292,525	100,469	34.3
Integrated Facilities Management	164,247	161,660	2,587	1.6	329,816	318,450	11,366	3.6
Property Development Group	7,237	2,581	4,656	>100.0	11,223	4,850	6,373	>100.0
	794,501	749,248	45,253	6.0	1,493,787	1,396,095	97,692	7.0

Profit Before Tax:

Asset Consultancy	58,198	36,159	22,039	61.0	62,746	50,987	11,759	23.1
Infra Services	23,920	20,935	2,985	14.3	51,753	36,828	14,925	40.5
Integrated Facilities Management	23,445	20,280	3,165	15.6	49,725	40,785	8,940	21.9
Property Development	1,425	3	1,422	>100.0	103	(1,302)	1,405	>100.0
Others/Elimination	(5,636)	(6,613)	977	14.8	(9,669)	(8,902)	(767)	(8.6)
Group	101,352	70,764	30,588	43.2	154,658	118,396	36,262	30.6

The Group's revenue for the current quarter of RM794.5 million was higher by RM45.3 million as compared to RM749.2 million in the corresponding quarter last year. Whilst, for the year-to-date, revenue of RM1,493.8 million was higher by RM97.7 million against RM1,396.1 million for the preceding year.

The IS Division recorded higher revenue million mainly due to the higher work progress and certifications for the North-South Expressway fourth lane widening and Bayan Lepas Expressway project. The IFM Division recorded higher revenue mainly due to higher recognition of variation orders at the government hospitals. The Property Division recorded higher revenue mainly due to the higher property sales and work progress for Chymes @ Gurney, Kuala Lumpur.

The higher revenue was partially offset by lower revenue recorded by AC Division, mainly due to overall weak economic condition in Australia, coupled with downturn in oil prices affecting project commencement in the Group's Canadian based subsidiary.

The Group's current quarter PBT of RM101.4 million was higher by RM30.6 million as compared to RM70.8 million in the corresponding quarter last year. At the same time, the year-to-date PBT of RM154.7 million was higher by RM36.3 million against RM118.4 million for the preceding year. This was mainly due to the higher PBT recorded by the AC Division of RM22.0 million and RM11.8 million respectively arising from the re-measurement of the deferred consideration payable by OIC of RM21.3 million. In addition the higher PBT for the other divisions is in line with the higher revenue as explained above.

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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

23. Economic profit ("EP") statement

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/06/2015 RM'000	Preceding year corresponding quarter 30/06/2014 RM'000 (Restated)	Six months to 30/06/2015 RM'000	Six months to 30/06/2014 RM'000 (Restated)
<u>Net operating profit after tax ("NOPAT") computation:</u>				
Earnings before interest and tax ("EBIT")	100,452	68,301	154,455	112,818
Adjusted tax	(25,113)	(17,075)	(38,614)	(28,205)
NOPAT	75,339	51,226	115,841	84,613
<u>Economic charge computation:</u>				
Average invested capital	1,145,822	941,887	1,145,822	941,887
Weighted average cost of capital ("WACC")	10.1%	10.6%	10.1%	10.6%
Economic charge	28,932	24,960	57,864	49,920
Economic profit	46,407	26,266	57,977	34,693

The EP statement is as prescribed under the Government Linked Companies transformation program, and is disclosed on a voluntary basis. EP measures the value created by a business during a single period reflecting how much return a business makes over its cost of capital.

(a) Performance of the current quarter ended 30 June 2015 against the corresponding quarter last year :

EP of RM46.4 million is higher by RM20.1 million as compared to the preceding year corresponding quarter of RM26.3 million mainly due to higher EBIT.

(b) Performance of the current period ended 30 June 2015 against last year :

EP of RM58.0 million is higher by RM23.3 million as compared to the preceding year corresponding period of RM34.7 million mainly due to higher EBIT.

24. Prospects for the current financial year

The Group's first half 2015 performance has been favorable, however the outlook for the second half of 2015 is expected to be challenging.

The growth in the AC Division will continue to be affected by the ongoing weak economic condition in Australia and prevailing low oil prices affecting the project commencement in the Group's Canadian based subsidiary. The growth from the Hospital Support Services sector will be affected by the reduction in contribution from Sarawak operations with effect from fourth quarter this year.

The Group will continue its efforts to grow the business and to derive synergies from its integration. It is cautiously optimistic of sustaining its performance in 2015.

25. Profit forecast

The Group did not issue any profit forecast in the current quarter.

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V. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**

26. **Earnings per share ("EPS")**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
a) Basic earnings per share				
Profit attributable to Owners of the Parent	58,852	47,521	96,026	76,675
Weighted average number of ordinary shares in issue ('000)	813,501	813,501	813,501	813,501
Basic earnings per share	7.23 sen	5.84 sen	11.80 sen	9.43 sen
b) Diluted earnings per share				
For the purpose of calculating diluted earnings per share, the profit for the period attributable to owners of the parent has been adjusted for the dilutive effects of the potential ordinary shares of a subsidiary, Opus International Consultants Limited ("OIC").				
Profit attributable to Owners of the Parent	58,852	47,521	96,026	76,675
Profit net of tax of OIC attributable to non-controlling interests arising from potential dilution of equity shareholding in OIC upon exercise of options	<u>(358)</u>	<u>(163)</u>	<u>(345)</u>	<u>(227)</u>
Diluted profit attributable to Owners of the Parent	58,494	47,358	95,681	76,448
Weighted average number of ordinary shares in issue ('000)	813,501	813,501	813,501	813,501
Diluted earnings per share	7.19 sen	5.82 sen	11.76 sen	9.40 sen

The acquisition of OPUS and PROPEL in the preceding year was accounted for using the pooling of interest method where the income statement of the Group reflects the results of the combining entities, irrespective of when the combination took place. In this regard, for the computation of earnings per share, the shares issued to acquire the combining entities are assumed to have been issued since the earliest financial period presented.

Kuala Lumpur
28 August 2015

By Order of the Board
Chiew Siew Yuen (MAICSA No. 7063781)
Company Secretary